

15-10-101. Title.

This chapter is known as the "Service Contracts Act."

Enacted by Chapter 46, 2003 General Session

15-10-102. Definitions.

As used in this chapter:

(1) "Automatic renewal provision" means a provision under which a service contract is renewed for one or more specified periods if:

(a) the renewal causes the service contract to be in effect more than six months after the day of the initiation of the service contract; and

(b) the renewal is effective unless the consumer gives notice to the seller of the consumer's intention to terminate the service contract.

(2) "Business consumer" means a person engaged in business if the person enters into a service contract as part of the person's business activities.

(3) (a) "Consumer" means a person receiving service, maintenance, or repair under a service contract.

(b) "Consumer" includes a representative of an association subject to:

(i) Title 57, Chapter 8, Condominium Ownership Act; or

(ii) Title 57, Chapter 8a, Community Association Act.

(4) "Seller" means a person providing service, maintenance, or repair under a service contract.

(5) (a) "Service contract" means a contract for service, maintenance, or repair:

(i) in connection with real property; or

(ii) that provides a benefit to the real property.

(b) "Service contract" does not include a contract affecting any right, title, estate, or interest in real property, including:

(i) a fee title interest;

(ii) a leasehold interest;

(iii) an option contract relating to real property;

(iv) a real estate purchase contract;

(v) an easement; or

(vi) any other real property interest governed by Title 57, Real Estate.

Amended by Chapter 262, 2011 General Session

15-10-201. Notice requirement.

(1) Except as provided in Subsection (2)(b), a service contract may not contain an automatic renewal provision unless the seller provides the consumer written notice complying with Subsection (2) that informs the consumer of the automatic renewal provision.

(2) (a) For a service contract executed on or after July 1, 2011, that exceeds 12 months for a renewal period, a seller shall provide written notice of an automatic renewal provision prominently displayed on the first page of the service contract.

(b) In addition to complying with Subsection (2)(a), a seller shall provide written notice required under Subsection (1) to the consumer:

- (i) personally;
- (ii) by certified mail; or
- (iii) prominently displayed on the first page of a monthly statement.
- (c) (i) A seller shall provide written notice under Subsection (2)(b):
 - (A) no later than 30 calendar days before the last day on which the consumer may give notice of the consumer's intention to terminate the service contract; and
 - (B) no sooner than 90 calendar days before the last day on which the consumer may give notice of the consumer's intention to terminate the service contract.
- (ii) A seller may not provide written notice required under Subsection (1) except:
 - (A) as provided in Subsection (2)(a); or
 - (B) during the time period described in Subsection (2)(c)(i).
- (d) Written notice required under Subsection (1) shall be:
 - (i) written in clear and understandable language; and
 - (ii) printed in an easy-to-read type size and style.

Amended by Chapter 189, 2014 General Session

15-10-202. Remedy for violation.

(1) Subject to Subsection (2), if a seller does not comply with Section 15-10-201 with respect to a service contract containing an automatic renewal provision:

(a) the automatic renewal provision is void and unconscionable as a matter of public policy; and

(b) the service contract shall automatically renew on a month-to-month basis.

(2) Subsection (1) applies to an automatic renewal provision in a service contract with a business consumer for which a seller does not comply with Section 15-10-201 only if the service contract is executed on or after July 1, 2011.

Amended by Chapter 262, 2011 General Session

15-10-301. Exemptions.

This chapter does not apply to a contract made pursuant to Title 11, Chapter 13, Interlocal Cooperation Act.

Enacted by Chapter 46, 2003 General Session